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NEWSWEEK
16 February 1981

NATIONAL AFFAIRS

The CIA's New Super-Spy

It is only 20 miles from Central Intelligence Agency headquarters on the Potomac River in Langley, Va., to National Security Agency headquarters at Fort Meade, Md. But at times the two seem light years apart—institutional rivals for prestige, power and money in the top-secret world of espionage. The CIA is far better known, but the NSA, the code-breaking arm of the Pentagon, is an elite group that frequently has more clout inside government. The institutional rivalry is such that at Fort Meade the CIA is referred to as "TBAR," shorthand for "those bastards across the river." Now, in a widely praised bureaucratic shuffle, NSA boss Bobby Ray Inman is moving across the river to become the No. 2 man at the CIA.

Inman, 49, a superstar in the intelligence community, will team up with CIA boss William J. Casey, 67, in an effort to restore power and morale to an agency that has suffered from scandal and budget cuts in recent years. Casey, who was Ronald Reagan's campaign manager, will be Mr. Outside, guaranteed a sympathetic ear at the White House not only from President Reagan and Vice President Bush (a former CIA director) but from top aides Ed Meese, Jim Baker and Michael Deaver, all of whom worked for Casey during the campaign. Inman, who knows the intelligence bureaucracy fluently, will be Mr. Inside, running the CIA's daily operations. The two men are likely to play complementary roles in other ways, too. Casey will give special attention to "human intelligence," drawing on his own experience as an OSS spy during World War II. Inman will concentrate on streamlining the agency's bureaucracy and maintaining cordial relations with Congress.

Persuasive: Inman may well turn out to be a key player in rebuilding the CIA, which has gone through five directors in eight years. A Texan from the small town of Rhonesboro, 90 miles from Dallas, he has spent 28 years in the Navy, rising to admiral—a rare accomplishment for someone who did not attend Annapolis. As NSA director, he was a tough-minded administrator who, despite the NSA's vast technical operation, thrived in the spotlight of Congressional oversight, and was praised for going to the Justice

boss Stansfield Turner tried to wrest control of NSA from the Pentagon. When Defense Secretary Harold Brown learned of a lunch between Turner and Attorney General Griffin Bell to discuss the plan, Brown dispatched Inman in a helicopter to pick up Bell and give him a whirlwind tour of NSA. No one was more surprised than Turner when Bell showed up for the lunch at the CIA helipad freshly persuaded by Inman to leave things as they were. "He's a very

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STATINTL
"The appointment book looks like the moon for the OSS veterans association," says one associate.

Tinkering: Casey and Inman also need to upgrade the CIA's ability to evaluate information. The agency has consistently underestimated Soviet strength and has sometimes failed to give early warning on such major political upheavals as the Iranian revolution. Casey will make greater use of university consultants as analysts. Also on the agenda: beefing up the CIA's counterintelligence unit, asking Congress for some relief from the Freedom of Information Act and for a ban on publishing the names of undercover agents. Much of this is tinkering, but the CIA will certainly benefit from an increased budget, from having so many friends in high places—and above all from the administrative abilities of an old spy and the young admiral he recruited from across the river.

MICHAEL REESE with DAVID C. MARTIN
in Washington



Larry Downing—NEWSWEEK

Inman: Crossing the river

persuasive man," says Bell.

At first, Inman was not eager to join the CIA; with two sons to put through college, he planned to seek a high-paying corporate job. But Casey promised him a fourth star (making him one of the youngest full admirals in history) and even arranged a personal plea from the President himself. Inman agreed to sign up, and at his Senate confirmation hearings last week, he won high praise. "If ever there was unanimous consent and enthusiasm, this is it," gushed Sen. Richard Lugar.

Like Casey, who reassured jittery CIA employees last week that there would not be a bureaucratic shake-up, Inman worries most about the shortage of experienced analysts and agents at the CIA. Despite the Federal hiring freeze, Inman

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U.S. NEWS & WORLD REPORT
16 February 1981

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Washington Whispers

Now shaping up, according to White House insiders: A collision between the two most powerful members of the Reagan team, Secretary of State Alexander Haig and presidential counselor Edwin Meese. The issue is Haig's attempt to extend his power beyond international affairs to include intelligence and national-security matters—a move that Meese fears would disrupt the orderly system of command he has created.

* * *

Bobby Inman, the highly regarded espionage expert taking over as No. 2 man at the Central Intelligence Agency, tells associates that his first goal is to build up intelligence manpower. The U.S. is great, he says, at using highly sophisticated devices to track adversaries' military equipment—but poor at forecasting where political-military events are headed.

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The Once and Future C

America's Most Interested Man

By DAVID WISE

WASHINGTON—If the capital can be compared to a three-ring circus, if a great deal is going on all at once, it is also true that, sometimes, more can be learned by watching the sideshows than the center ring. The future of American intelligence activities under President Ronald Reagan is a case in point.

When a friendly Senate Select Committee on Intelligence held its hearing in January on the President's nomination of his former campaign manager, William J. Casey, to be director of Central Intelligence, the television lights bathed the ornate Senate caucus room in a white glare and the reporters and photographers almost outnumbered the spectators.

A much more modest turnout greeted Navy Vice Adm. Bobby Ray Inman, director of the super-secret National Security Agency, the nation's code-breaking arm, when he appeared quietly before the same committee on Feb. 3 as Reagan's choice for deputy director of the CIA. Unnoticed by most observers, Inman let an interesting cat out of the bag.

While being questioned by Sen. Daniel K. Inouye (D-Hawaii), Inman explained that Casey expected him as deputy to improve the quality of U.S. intelligence and the agency's estimative functions—its ability to predict future events. Inman added, "He (Casey) will concentrate to a substantial degree on the covert operations, clandestine collection sides of the business."

Those are the sides of the intelligence business, of course, that Casey learned during his World War II experience with the Office of Strategic Services (OSS). As chief of secret intelligence for OSS in Europe, Casey infiltrated agents, some by parachute, into Nazi Germany to report on targets for air attack.

That Casey would wish to concentrate on the CIA's covert operations and clandestine collection is thus not wholly surprising, but Inman's comment is nevertheless an intriguing straw in the wind. It suggests that, under the Reagan Administration, the CIA may well increase the scope and number of its covert operations.

Certainly the climate is right. Casey and Inman have taken over the helm of the CIA under a President who is firmly committed to a stronger military and intelligence establishment. For the first time in the nation's history, a former CIA director, George Bush, is vice president. And, with the Republicans in control of the Senate, the CIA now has a good friend, conservative Sen. Barry Goldwater (R-Ariz.), as chairman of the Senate committee overseeing the agency.

There is an important structural change as well. The CIA has succeeded in abolishing the Hughes-Ryan Amendment, which had required it to report on covert operations to eight committees of Congress. Under the new law, the CIA need only report to two congressional panels, the Intelligence committees of the Senate and the House. During the mid-1970s, Congress investigated and revealed CIA

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the two intelligence committees prior notice of "signifi-
cant" covert operations—but allows him to explain later
if he chooses not to comply. The law does require the
President and the CIA to furnish "any information" on
intelligence demanded by the committees, but it is a far
cry from the massive "charter" legislation once envi-
sioned.

William E. Colby, a former director of the CIA, says
that covert activities—both political and paramilitary
action—now account for only 3% or 4% of the CIA's
budget, compared with 50% in the 1950s and 1960s. "I
hope it will increase," he said, "because I think there are
areas of the world where a little covert action can fore-
stall much more serious problems later." Covert action,
Colby maintains, can "avoid a situation of seeing a place
descend into chaos or, alternatively, being tempted to
send in the Marines."

Casey answered cautiously when the senators asked
about covert operations at his confirmation hearing.
Rigging elections, intervening in the internal affairs of
another nation, he replied, "that kind of thing you only
do in the highest interest of the country."

Just how far will the CIA be unleashed? "No one can
predict whether the new oversight system is going to
work," said Jerry J. Berman, legislative counsel to the
American Civil Liberties Union, one of the groups that
fought and lost the battle for charter legislation. "You
have Goldwater who has said there are secrets he'd
rather not know—he wishes he knew less. On the House
side, the Intelligence Committee is more conservative
and less balanced."

It is also clear that one of Goldwater's top priorities
will be passage of a bill to protect the identities of intel-
ligence agents. Such legislation failed to pass last year,
but an identities bill was reintroduced on Feb. 3 by Sen.
John H. Chafee, a moderate Republican from Rhode Is-
land, and four bills have been introduced in the House.

Pressure for such legislation has mounted as a result
of several factors: the exposure of the names of dozens
of agents in the book by Philip Agee, a former CIA offi-
cer, and the assassination in 1975 of Richard Welch, the
agency station chief in Athens, who had several months
earlier been identified as a CIA man by the magazine
CounterSpy. More recently, in July, 1980, gunmen at-
tacked the Jamaica home of N. Richard Kinsman, who
had two days earlier been named as the CIA station

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THE VILLAGE VOICE
11-17 February 1981

At Least They Will be Warned

Aides to new CIA chief William Casey note thankfully that in view of his endemic mumble Casey is the first intelligence head in recent memory to have no need for a scrambler. Admiral Bobby Inman, Casey's deputy at CIA, is given high marks by experts as a super-professional. Formerly head of NSA, Inman correctly predicted China's invasion of Vietnam, and the Soviet invasion of Afghanistan. Furthermore he reported at the end of last year that the Soviet Union would not invade Poland before Christmas. Inman—whose full name is Bobby Ray—had little time for Casey's predecessor, Admiral Stansfield Turner, regarding him as an incompetent waffler.

The Capital Report

The Plum Report — Phase II

The Washington Star today continues a compilation of appointments in the Reagan administration. Subsequent lists will be published periodically. The salaries listed below are drawn from the so-called Plum Book, the government's quadrennial compilation of non-career federal positions. Where no salary is listed for a position, it is because no such position is included in the current Plum Book. The White House has declined to give the salaries of its staff appointees. The salaries listed here would be raised 16.8 percent under a proposal that former President Carter sent to Congress last month.

White House Officials

Robert B. Carlson, Special Assistant to the President for Policy Development \$55,387

Seelye Lodwick, Undersecretary of Agriculture for International Affairs and Commodity Programs \$55,387

Stephen M. Studdert, Special Assistant to the President and Director of the Advance Office \$55,387

Wayne A. Roberts, Deputy Director for Presidential Personnel

Richard D. Shelby, Deputy Director for Presidential Personnel

Robert M. Garrick, Deputy Counsellor to the President

Fred F. Fielding, Counsel to the President \$60,662

Edwin W. Thomas, Assistant Counsellor to the President

Mitchell F. Stanley, Special Assistant to the Counsellor

Richard Smith Beal, Special Assistant to the President and Director of the Office of Planning and Evaluation \$55,387

Margaret D. Tutwiler, Special Assistant to the Chief of Staff

Allen W. Locke, Deputy Staff Secretary of the White House

Melvin L. Bradley, Senior Policy Adviser to the President

Gregory J. Newall, Special Assistant for Scheduling \$55,387

Helene von Damm, Special Assistant to the President \$52,750

Sub-Cabinet Officials

David B. Swoap, Undersecretary of Health and Human Services \$55,387

Paul Craig Roberts, Assistant Secretary of Treasury for Economic Policy \$52,750

Ray Barnhart, Administrator, Federal Highway Administration \$60,662

James L. Buckley, Undersecretary of State for Coordination of Security Assistance & Programs \$55,387

Richard Fairbanks, Assistant Secretary of State for Congressional Relations \$52,750

Richard T. Kennedy, Under Secretary of State for Management \$55,387

Robert C. McFarlane, Counselor, Department of State

C. W. McMillan, Assistant Secretary of Agriculture for Marketing & Transportation Services \$52,750

Peter M. McPherson, Administrator of the Agency for International Development

James C. Miller, Associate Director, Office of Management and Budget

Raymond A. Peck, Administrator, National Highway Traffic Safety Administration \$55,387

Beryl W. Sprinkel, Undersecretary of Treasury for Monetary Policy \$55,387

Walter J. Stoessel, Undersecretary of State for Political Affairs \$55,387

Lee L. Verstandig, Assistant Secretary, Governmental Affairs, Department of Transportation \$52,750

Joseph R. Wright, Jr., Deputy Secretary of the Department of Commerce \$60,662

Donald T. Hodel, Undersecretary of the Department of the Interior \$55,387

Donald I. Hovde, Undersecretary of Housing and Urban Development \$60,662

William Gene Lesher, Director of Economics, Policy Analysis and Budget in the Department of Agriculture

Donald W. Moran, Associate Director of Health and Human Services in the Office of Management and Budget

Dennis W. Thomas, Assistant Secretary for Legislative Affairs in the Department of the Treasury \$52,750

John M. Fowler, General Counsel to the Department of Transportation \$52,750

B. R. Inman, Deputy Director of Central Intelligence \$55,387

John F. W. Rogers, Special Assistant for Management and Acting Director of the Office of Administration \$55,387

Norman B. Ture, Undersecretary for Tax Policy, Department of the Treasury \$55,387

Robert W. Blanchette, Administrator of the Federal Railroad Administration, Department of Transportation \$55,387

Roscoe L. Egger, Jr., Commissioner of the Internal Revenue Service \$55,387

John F. Lehman, Secretary of the Navy \$60,662

Richard E. Lyng, Undersecretary of the Department of Agriculture \$65,387

John O. Marsh, Jr., Secretary of the Army \$60,662

R. T. McNamara, Deputy Secretary of Treasury \$60,662

Verne Orr, Secretary of the Air Force \$60,662

Glenn R. Schleede, Executive Associate Director of the Office of Management and Budget

Edward C. Schmultz, Deputy Attorney General \$60,662

Elliot Abrams, Assistant Secretary of State for International Organizations \$52,750

Annelise G. Anderson, Associate Director for Economics and Government in the Office of Management Budget

Marshall Brement, Deputy Representative to the United Nations \$55,387

Charles M. Lichenstein, Alternate Representative, Political Affairs to the United Nations \$52,750

Agency Officials

Thomas Weir Pauken, Director of the ACTION Agency \$55,387

EXECUTIVE
NOTES

The nominations of sub-Cabinet members march steadily through the confirmation process: The Senate yesterday confirmed Adm. Bobby R. Inman as deputy director of the Central Intelligence Agency, 94 to 0.

EXCERPTED